



CHINA NATIONAL CHEMICAL COMPANY (“CHEMCHINA”) PROFILE

A Leading Chinese Chemical Company

- Locations:** Operates in 26 provinces and municipalities, including Beijing (HQ), Shanghai, Tianjing, Guangdong and Shandong provinces
- Employees:** Approximately 100,000
- Products/ Services:** New chemical materials, downstream specialty chemicals, industrial cleaning, rubber and chemical machinery manufacture and chemical research & development

Selected Production Statistics:

Product	Capacity (tonnes per annum)
Petroleum refining	10,000,000
Organic Silicone	100,000
Barium and Strontium Carbonate	500,000
Synthetic Ammonia	300,000
Urea	300,000

Background

China National Chemical Corporation (“ChemChina”) is a large-scale state-owned enterprise established by the State Council of the People’s Republic of China (“PRC”). ChemChina is one of the leading specialty chemical and petrochemical companies in China, with its headquarters in Beijing.

For the year ending 31st December 2005 ChemChina is forecast to achieve sales of RMB60 billion (~A\$9.6 billion) and currently has total assets of RMB70 billion (~A\$11.2 billion).

ChemChina was formed in 2004 by the merger of China National Bluestar (Group) and China National Haohua Chemical (Group) Corporation. At present, the ChemChina group comprises 127 subsidiaries, including 2 non-bank financial institutions, 22 scientific research and design institutes and a controlling interest in 7 listed companies on the Shenzhen and Shanghai stock exchanges.

ChemChina has established an extensive marketing network, reaching over 60 cities in China and exporting to over 40 countries.

Operations Overview

Chemical Materials

ChemChina produces a variety of chemical materials, including inorganic chemicals and organic chemicals, which complement the company’s downstream specialty chemical operations. ChemChina is a market leader in the development and production of silicon and fluorine materials, universal engineering plastics, specialty engineering plastics and specialty fibres. ChemChina is the sixth largest producer of organic silicon monomer in the world, largest producer in Asia of PBT resin, and the largest producer in China of biophenol A and epoxy resin. In addition, ChemChina has the largest production plant in China for titanium white, silicon metal and TDI, and is the domestic market leader in the production and sale of barium and strontium carbonate, multi-POM, POM, polycarbonate, chromic anhydride and phthalic anhydride.

Industrial Cleaning Chemicals

ChemChina, is the dominant player in the domestic industrial cleaning sector, with over 90% market share. Its listed subsidiary, Bluestar Cleaning, is a well-known industrial cleaning brand.

In addition, ChemChina provides engineering cleaning services for the petroleum, petrochemical, chemical, thermal power, electronics, transportation and coal mining industries.

Rubber and Chemical Machinery

ChemChina is the domestic market leader in the production of machinery for the rubber and chemical manufacturing industries, with over 70% market share.

Research and Development

ChemChina is at the forefront of development in the chemical sector with 22 research and design institutions. ChemChina also has 11 state-level and provincial/ministerial-level engineering technology research centres. ChemChina's research capabilities cover all major chemical fields.